

# the Co-op Connection

SEPTEMBER 2021

NEWS AND INFORMATION FROM YOUR POWER PARTNER





# Central Florida Electric Cooperative, Inc.

~ YOUR POWER PARTNER ~

## OFFICIAL NOTICE OF ANNUAL MEETING FOR CENTRAL FLORIDA ELECTRIC COOPERATIVE, INC.

The Annual Meeting for members of Central Florida Electric Cooperative, Inc. will be held at the Cooperative’s warehouse in Chiefland, Florida at 10:00 A.M, Saturday, October 2, 2021 for the following matters:

- Presentation of reports by Trustee Officers and General Manager.
- Presentation of Trustee election results.
- Any other business which may properly come before the meeting.

**REGISTRATION WILL BEGIN AT 8:00 A.M.  
AND CLOSE AT THE END OF THE BUSINESS SESSION**

Entertainment will begin at 8:30 A.M.

In accordance with Article 4, Section 4 of the Cooperative’s Bylaws, the Board of Trustees appointed the following members as a committee for nominations:

*Randy Alumbaugh*

*Patricia Ingram*

*Walter C. “WC” Mills Jr.*

*William Busbee*

*Jered Jones*

*Marion M. O’Steen*

*William Goess*

*Kathryn McInnis*

*Carolyn Snyder*

The Nominating Committee met on July 27 and nominated the following to represent their respective districts on the Board of Trustees of Central Florida Electric Cooperative, Inc.

District 2 (Nominated).....Carl Roof

District 3 (Nominated).....Tony Weeks

District 7 (Nominated).....Kenneth O’Steen

The following have been nominated by petition to serve as Trustee for their respective district.

District 2 (By Petition) .....None

District 3 (By Petition) .....None

District 7 (By Petition) .....None

Carl Roof, Secretary  
Central Florida Electric Cooperative, Inc.



# Central Florida Electric Cooperative, Inc.

~YOUR POWER PARTNER ~

Our mission is to be the finest example of an electric cooperative where excellent service, competitive rates and concern for the consumer, community and environment guide our every action.

Cover Photo By: Alison DeLoach Communications Specialist



**Alan Mikell**  
PRESIDENT, DISTRICT 6

**Greetings Friends and Members.** It has certainly been an eventful year, or two years now, since we have been together at a Cooperative annual meeting. I hope everyone continues to be as safe and healthy as possible. I can assure you, we have given a lot of thought to the coming annual meeting in terms of Covid-19 safety.

Members are invited to attend the CFEC Annual Meeting on Oct. 2, 2021, with entertainment

starting at 8:30 a.m. and the business session at 10 a.m. You are also encouraged to wear a mask, use the hand sanitizer provided and spread out as much as possible.

One reason we felt it necessary to return to having an annual meeting is simply to let members know that their electric cooperative is in sound financial standing. You can see on pages 6-7, the annual financial report for the year ending Dec. 31, 2020. Residential usage per kilowatt hours was up, but that was because people were at home during the pandemic. The average cost of that power was down from 2019. Cooperative management, employees and Trustees continue to look for ways to save on costs while providing reliable and affordable electric service.

### Cost of Proposed By-Law Change

Speaking of costs, another reason we need to have an in-person meeting is because a member at the 2019 meeting proposed to change CFEC's By-Laws regarding the election of trustees. The proposal is to change it to where members vote on every Trustee elected, not just the Trustee that lives in and represents their district. While I understand the purpose of this proposal, I know for myself and the other Trustees, we work hard to represent all Cooperative Members, whether they are in our district or not. I also talk with Members not in my district, even though I represent the Members of District 6.

While I understand the proposal, when you look at the cost, it is a significant change from what is spent now on elections. To create, print, mail and pay for postage return of the ballots to 27,002 Members every year that there is an election is a tremendous cost. Remember, CFEC is a not-for-profit entity

and costs are passed on to Members. For a single election, the cost would go from approximately \$7,600 to more than \$80,000 or 10 times as much. This is shown in more detail on the following page. This proposal will be voted on during the 2021 Annual Meeting.

### Looking At Broadband

Electricity has long been an essential element of homes and businesses. Now, the Internet is as well. During the pandemic, students were trying to finish school via Zoom and other online tools and many Members were using it to work from home. It has become critically important.

Like the early days of electricity, the Internet is more readily available in cities and metropolitan areas and not so much available in rural areas. A push was started a number of years ago to bring broadband Internet service to rural areas. One way to do this is through electric cooperatives, like CFEC, who are already distributing electric service to those same areas.

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### In This Message:

- CFEC will hold the Annual Meeting of Members on Oct. 2.
  - Your cooperative is in good financial standing.
  - Members need to be aware of the cost of a proposed By-Law change.
  - CFEC is exploring a possible role in bringing broadband to the area.
  - Safety should be a priority for everyone!
- 

Although the process is not simple, Trustees and Management are evaluating CFEC's possible role in helping bring broadband to the service area while considering cost and the fact that CFEC does not serve every person in the tri-county area.

### Be Safe

In closing, let me remind Members that their safety and the safety of CFEC's employees is always foremost in our minds. As this has been a pretty active Hurricane season so far, please do all the preparation needed to stay safe during a storm. Unfortunately, it is the use of generators after a storm that has become most deadly. Always keep your generator well away from your house, doors, windows, garage, and follow all safety instructions so that you do not back-feed power onto the line, which could severely injure or kill electric line workers. Let's be safe in everything we do!

***Thanks for your time, and I hope to see you at the Annual Meeting.***

## Proposed By-law Amendment

During the business session at Central Florida Electric Cooperative’s 2019 Annual Meeting, a proposal was made by a member to amend Article 3, Section 5 of the Cooperative By-Laws relating to the election process of Trustees.

*This section of the By-Laws and the proposed changes are as follows:*

### Article 3, Section 5: Voting -

- 1. Election of Trustees – Trustees shall be voted upon only by the all Cooperative members residing in the district of the Trustee seeking election. Each Cooperative member residing in the district of the Trustee running for the Board shall be entitled to only one (1) vote per membership.** No member shall be entitled to vote by proxy. Ballots shall be mailed no later than ten (10) days prior to the date they must be returned, all ballots must be returned to the Cooperative with a postmark of fifteen (15) days prior to the Annual Meeting date. The counting of the ballots will be by a teller committee appointed by the Board of Trustees prior to the election and the teller committee shall consist only of Cooperative Members and shall not include any current employees or Trustees.

### WHAT THIS MEANS FOR YOU, THE MEMBER

Our current By-Laws allow a Member to vote in the election for the Board position involving candidates who live in and represent the district in which the Member lives. The proposed motion would change the By-Laws to allow all cooperative Members to vote in every district election, regardless of which district in the service territory the member lives. Additionally, this proposed amendment would increase the cost of a member desiring to run or continue to hold the position.

### Cost Comparison

Members should be aware that, if passed, the proposed amendment would affect the cost of the Trustee election process. Currently, ballots only need to be mailed to Members in the three districts up for election in that given year. If the proposed amendment were to pass, ballots would need to be mailed to every Member in all 9 districts each year that an election takes place. As a member-owned cooperative, these added costs will ultimately be passed along to the Member. A detailed breakdown of the costs associated with the ballot process per year is included below.

Since this proposal involves a change to the Cooperative By-Laws, it must be voted on by Cooperative Members at this year's Annual Meeting.

Balloting Process	Cost of Current Ballot Process (For each Trustee Election)	Estimated Cost of 2022 Ballot Process if Amendment Passes (Cost for 1,2 or3 Trustee Election)
<i>Construction of Ballot Package</i>	\$4,020	\$48,300
<i>Postage for District Mailing</i>	\$1,300	\$11,700
<i>Postage Permit # (Return Postage)</i>	\$235	\$235
<i>Prepaid Postage for Return of Ballot</i>	\$600	\$7,200
<i>Third Party Committee for controlling voting and ballot counting</i>	\$1,475	\$13,275
<b>Total Cost</b>	<b>\$7,630</b>	<b>\$80,710</b>



**Alan Mikell**  
PRESIDENT  
DISTRICT 6

# CFEC Board of Trustees

Your Cooperative is divided into nine districts with a member from each district elected to serve on the Board of Trustees. Trustees are elected to staggered three-year terms, and each year three trustees are up for election.

According to CFEC's Bylaw, Trustees may be nominated (1) by nominating committee or (2) by petition. Voting is conducted by mail-out ballots sent to members in the respective district prior to the Annual Meeting. Trustees are responsible for setting overall Cooperative policies.



**James McCain**  
VICE PRESIDENT  
DISTRICT 1



**Carl Roof Sr.**  
TREASURER  
DISTRICT 2



**Tony Weeks**  
DISTRICT 3



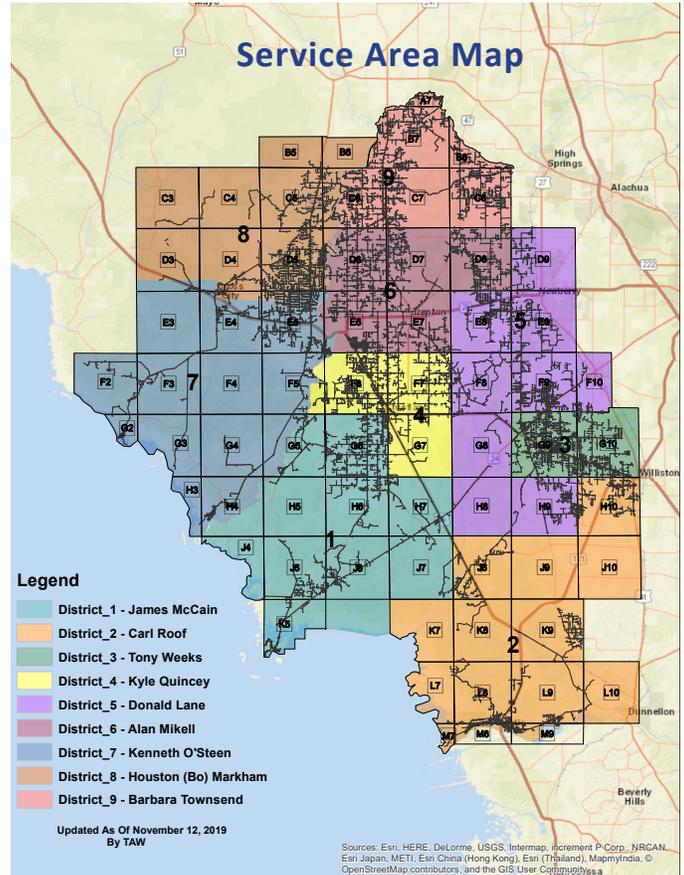
**Kyle Quincey**  
DISTRICT 4



**Donald Lane**  
DISTRICT 5



**Kenneth O'Steen**  
DISTRICT 7



**Bo Markham**  
DISTRICT 8



**Barbara Townsend**  
DISTRICT 9



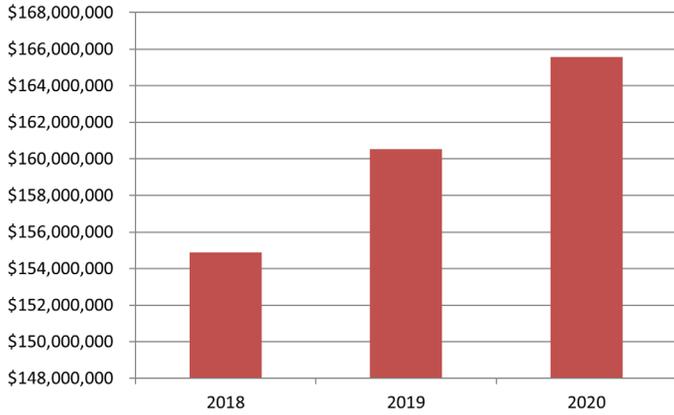
**Central Florida Electric Cooperative, Inc.**

~ YOUR POWER PARTNER ~

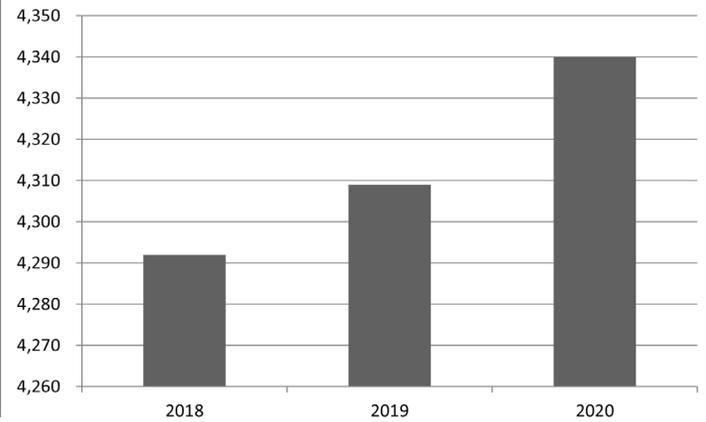
# 2020 CFEC Annual Financial Report

Your cooperative is pleased to offer this financial report. For the year ending Dec. 31, 2020, you will find that the cooperative is in sound condition both financially and operationally.

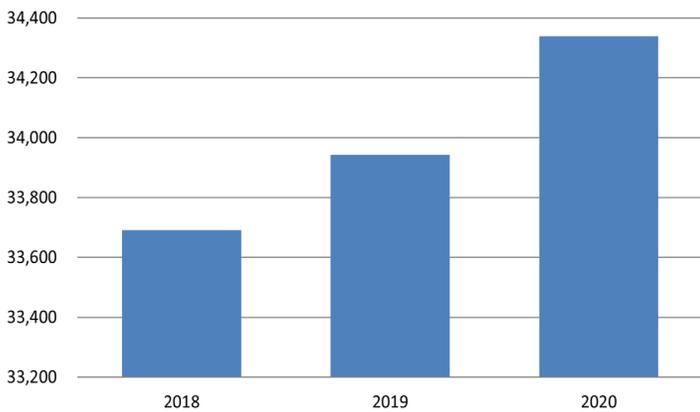
**Total Utility Plant**



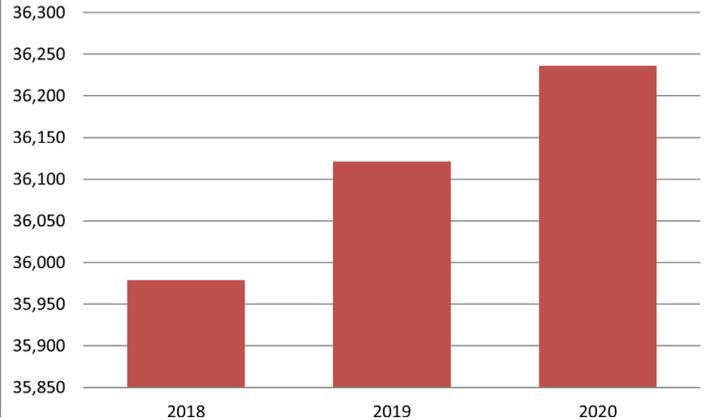
**Miles of Line**



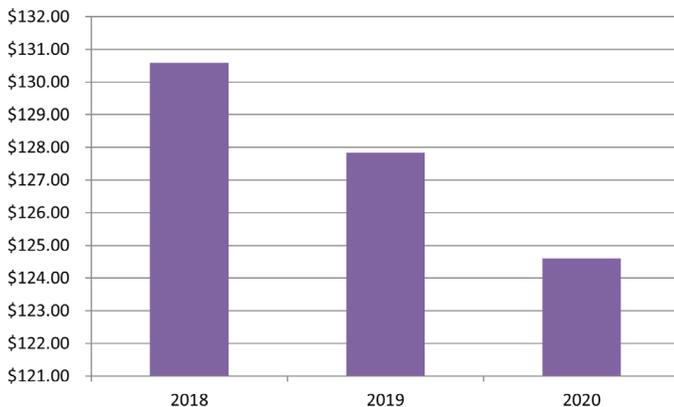
**Active Accounts**



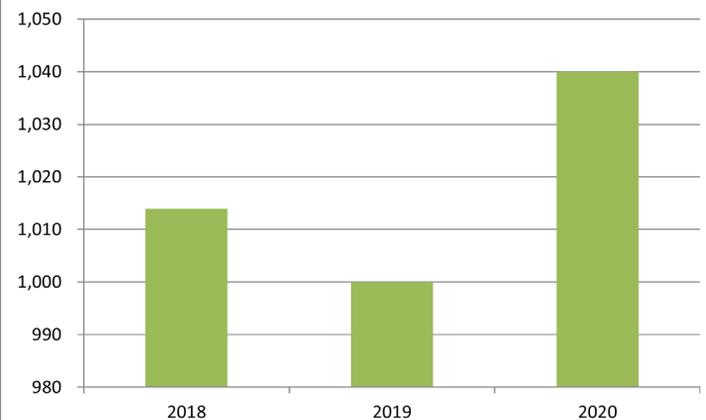
**Services**



**Cost of 1000 kWh of Residential Service**

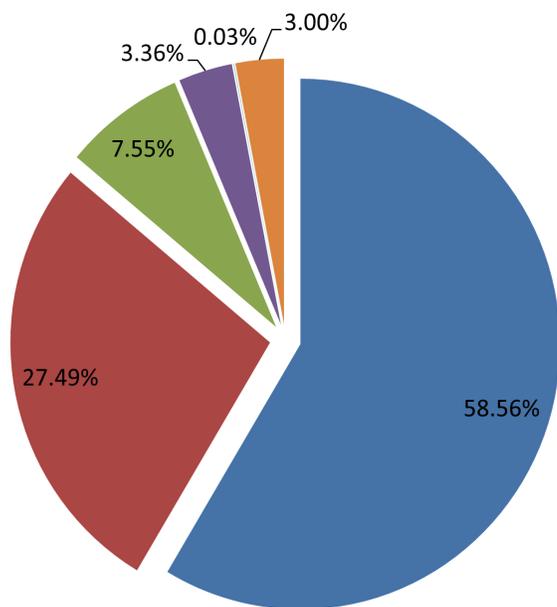


**Average Monthly Residential kWh**

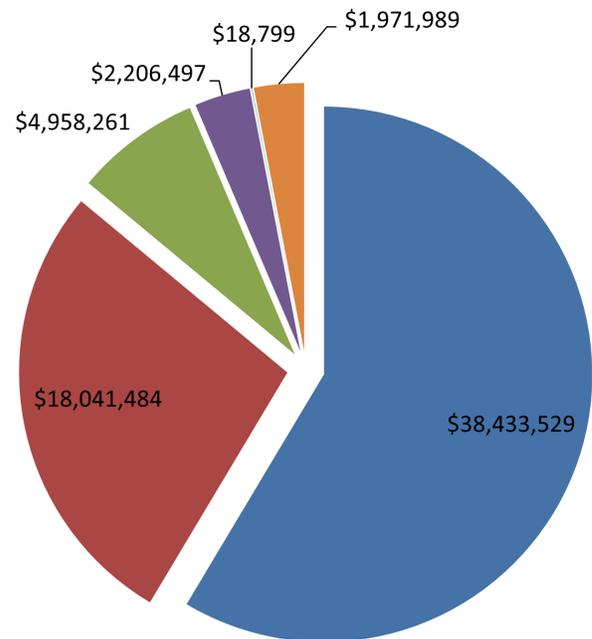


# 2020 Operating Revenue Distribution

100% = \$65,630,559



■ Power Costs 58.56%  
 ■ Operations 27.49%  
 ■ Depreciation 7.55%  
 ■ Interest 3.36%  
 ■ Other Cost 0.03%  
 ■ Oper. Margins 3.00%



■ Power Costs \$38,433,529  
 ■ Operations \$18,041,484  
 ■ Depreciation \$4,958,261  
 ■ Interest \$2,206,497  
 ■ Other Cost \$18,799  
 ■ Oper. Margins \$1,971,989

Financial Highlights	2018	2019	2020
Operating Expenses	\$ 57,006,883	\$ 56,849,997	\$ 56,475,013
Interest Expense	\$ 2,093,867	\$ 2,099,412	\$ 2,168,177
Other Cost of Service	\$ 5,041,094	\$ 5,198,648	\$ 5,015,380
Non-Operating Revenue	\$ 1,219,108	\$ 1,352,985	\$ 1,802,170
Net Margins	\$ 3,045,453	\$ 1,894,155	\$ 3,774,159
Total Assets	\$ 131,808,927	\$ 135,873,417	\$ 141,754,511
Net Utility Plant in Service	\$ 106,181,723	\$ 109,585,105	\$ 112,720,152
Total Long-Term Debt	\$ 45,928,154	\$ 53,372,584	\$ 57,122,408
Member's Equity	\$ 52,973,161	\$ 52,490,529	\$ 53,578,565
Patronage Capital Distributed	\$ 1,064,246	\$ 697,558	\$ 1,182,800



**MAIN OFFICE**

11491 NW 50th Ave.  
Chiefland, FL 32626-3247  
352-493-2511  
or 800-227-1302  
[www.cfec.com](http://www.cfec.com)

**Physical Address/Payment Locations**

**MAIL ADDRESS**

P.O. Box 9  
Chiefland, FL 32644-0009

**CROSS CITY OFFICE**

207 NE 210 Ave.  
Cross City, FL 32628  
352-498-7322

**INGLIS OFFICE**

167 Highway 40 West  
Inglis, FL 34449  
352-447-3553

**ADDITIONAL PAYMENT LOCATIONS**

Drummond Community Bank  
Lafayette State Bank (Bell only)  
*For a complete listing of payment locations,  
go to [www.cfec.com](http://www.cfec.com).*  
*This institution is an equal opportunity  
provider and employer.*

**WE ARE BACK, AND YOU ARE INVITED!**

The Central Florida Electric Cooperative Annual Meeting of Members is back in 2021 and you are invited! The meeting will be held on Oct. 2, 2021, at the cooperative warehouse in Chiefland.

Registration begins at 8 a.m., followed by entertainment at 8:30 a.m.

Learn more about the cooperative and the energy business. And don't forget about the door prize give away after the business meeting.

Plan now to attend CFEC's Annual Meeting!



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President, Alan Mikell page 3

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